

**Date Posted: February 10, 2012**

**CITY OF EAST PROVIDENCE**

**RHODE ISLAND**

**DOCKET OF SPECIAL COUNCIL MEETING**

**February 15, 2012**

**Council Chambers, City Hall, 145 Taunton Avenue, East Providence,  
RI 02914**

**5:30 P.M. Open Session**

## **I. CALL TO ORDER**

## **II. INTRODUCTION TO ORDINANCES**

**ORDINANCE OF THE CITY OF EAST PROVIDENCE APPROVING THE FINANCING OF THE CONSTRUCTION, EQUIPPING, EXTENSION, REPLACEMENT, REPAIR AND REHABILITATION OF THE CITY'S SEWER LINES, SEWAGE COLLECTION, AND SEWAGE TREATMENT SYSTEM AND ALL PRELIMINARY AND INCIDENTAL EXPENSES AND APPROVING THE ISSUANCE OF WASTEWATER SYSTEM REVENUE BONDS AND NOTES THEREFOR IN AN AMOUNT NOT TO EXCEED \$17,500,000**

**WHEREAS, in the interest of public health and safety, the City of East Providence (the "City") desires to make certain improvements to the City's sewer system, including the construction, equipping, extension, replacement, repair and rehabilitation of the sewer lines, sewage collection, and sewage treatment system and all preliminary**

**and incidental expenses in connection therewith (the “Project”);**

**WHEREAS, the City desires to issue an amount not to exceed Seventeen Million Five Hundred Thousand Dollars (\$17,500,000) wastewater system revenue bonds (the “Bonds”) or interest bearing or discounted wastewater system revenue notes (the “Notes”) in anticipation of the issue of said Bonds of the City, at one time, or from time to time for the purpose of evidencing the borrowing described above;**

**WHEREAS, Chapter 46-12.2 of the Rhode Island General Laws, pursuant to which the Bonds or Notes will be issued, provides that in connection with a financing transaction with the Rhode Island Clean Water Finance Agency (the “Agency”) and notwithstanding any municipal charter to the contrary, all local governmental units shall have the power to issue local governmental obligations payable solely from wastewater system revenues pursuant thereto without limit as to amount, and the amount of principal and premium, if any, and interest on the obligations shall not be included in the computation of any limit on the indebtedness of the local governmental unit or on the total taxes which may be levied or assessed by the local governmental unit in any year or on any assessment, levy, or other charge made by the local governmental unit on any other political subdivision or instrumentality of the State of Rhode Island;**

**WHEREAS, notwithstanding the foregoing provisions of Chapter 46-12.2 of the Rhode Island General Laws, the City desires to comply**

with the requirements set forth in Section 4.27 of the City Charter with respect to the issuance of bonds to the extent possible;

WHEREAS, the estimated maximum cost of the Project is \$17,500,000;

WHEREAS, the period of usefulness of the Project is expected to be thirty (30) years; and

WHEREAS, the net debt of the City is not affected by the issuance of the Bonds or Notes as the Bonds and Notes will not be general obligations of the City but will be payable solely from wastewater system revenues.

NOW THEREFORE, BE IT ORDAINED BY THE CITY OF EAST PROVIDENCE that:

SECTION 1. The sum of Seventeen Million Five Hundred Thousand Dollars (\$17,500,000) is appropriated for the purpose of financing the Project.

SECTION 2. In accordance with Chapter 46-12.2 of the Rhode Island General Laws, the Mayor and the Director of Finance are hereby authorized to borrow an amount not exceeding Seventeen Million Five Hundred Thousand Dollars (\$17,500,000) from the Agency, and to evidence such loan as required by said Chapter 46-12.2, such officers are hereby authorized to issue and refund on behalf of the City the Bonds, at one time, or from time to time in order to meet the foregoing appropriation.

SECTION 3. The said officers from time to time may issue and refund Notes in anticipation of the issue of said Bonds.

SECTION 4. The Bonds and Notes shall be payable solely from

wastewater system revenues. The City may issue bonds, notes, or other obligations on a parity with these Bonds as provided in the Trust Indenture (defined below). The manner of sale, amount, denominations, maturities, conversion or registration privileges, interest rates, medium of payment, and other terms, conditions and details of the Bonds or Notes may be fixed by the officers authorized to sign the Bonds or Notes.

**SECTION 5.** Pending the issuance of the Bonds under Section 2 hereof or pending or in lieu of the issue of Notes under Section 3 hereof, the Director of Finance, at the written direction of the City Council, may expend funds from funds of the City including the General Fund for the purposes specified in Section 1 hereof. Any advances made under this section shall be repaid without interest from the proceeds of the Bonds or Notes issued hereunder or from the proceeds of applicable federal or state assistance or from other available funds.

**SECTION 6.** The Mayor and the Director of Finance are also authorized, empowered and directed, on behalf of the City, to: (i) execute, acknowledge and deliver a Supplemental Trust Indenture (the "Supplemental Indenture") amending and supplementing the Trust Indenture dated October 6, 2009 by and between the City and U.S. Bank National Association (the "Trust Indenture"), and any and all other loan agreements, documents, certificates or instruments necessary to effectuate such borrowing; (ii) amend, modify or supplement the Trust Indenture, such Supplemental Indentures, the Bonds or Notes and any and all other loan agreements, documents,

**certificates or instruments at any time and from time to time, in such manner and for such purposes as such officers shall deem necessary, desirable or advisable; (iii) direct the Trustee with regard to investments of trust funds pursuant to the Trust Indenture, (iv) enter into intermunicipal agreements or amend existing intermunicipal agreements with other municipalities utilizing the wastewater treatment facility and regional collection system with respect to sharing cost of the Project, and (v) do and perform all such other acts and things deemed by such officers to be necessary, desirable or advisable with respect to any matters contemplated by this Ordinance in order to effectuate said borrowing and the intent hereof.**

**SECTION 7. The Mayor and the Director of Finance are hereby authorized to deliver the Bonds or Notes to the purchaser and said officers are hereby authorized and instructed to take all actions, on behalf of the City, necessary to ensure that interest on the Bonds or Notes will be excludable from gross income for federal income tax purposes and to refrain from all actions which would cause interest on the Bonds or Notes to become subject to federal income taxes.**

**SECTION 8. This Ordinance is an affirmative action of the City Council of the City toward the issuance of the Bonds and Notes in accordance with the purposes of the laws of the State. This Ordinance constitutes the City's declaration of official intent, pursuant to Treasury Regulation §1.150-2, to reimburse the City for certain capital expenditures for the Project paid on or after the date which is sixty (60) days prior to the date of this Ordinance, but prior**

to the issuance of the Bonds or Notes. Such amounts to be reimbursed shall not exceed Seventeen Million Five Hundred Thousand Dollars (\$17,500,000) and shall be reimbursed not later than eighteen (18) months after the later of (a) the date on which the expenditure is paid or (b) the date on which the Project is placed in service or abandoned but in no event later than three (3) years after the date on which the expenditure is paid.

**SECTION 9.** The Mayor and the Director of Finance are authorized to take all actions necessary to comply with federal tax and securities laws including Rule 15c2-12 of the Securities and Exchange Commission (the “SEC Rule”) and to execute and deliver a Continuing Disclosure Certificate in connection with the Bonds or Notes in the form as shall be deemed advisable by the Mayor and the Director of Finance in order to comply with the SEC Rule. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate, as it may be amended from time to time. Notwithstanding any other provision of this Ordinance or the Bonds or Notes, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered an event of default; however, any Bondholder or Noteholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section and under the Continuing Disclosure Certificate.

**SECTION 10.** This Ordinance shall take effect upon its second passage and all ordinances and parts of ordinances inconsistent

herewith are hereby repealed.

Motion\_\_\_By\_\_\_2nd\_\_\_

Conley\_\_\_DiGioia\_\_\_Kleyla\_\_\_Rose\_\_\_Rogers\_\_\_

III. ADJOURNMENT

Motion\_\_\_By\_\_\_2nd\_\_\_

Conley\_\_\_DiGioia\_\_\_Kleyla\_\_\_Rose\_\_\_Rogers\_\_\_